

MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

October 2004

DATA SYSTEMS & ANALYSIS

Maryland Trauma Physician Services Fund

Last month, staff reconciled the uncompensated care applications against the Maryland Institute for Emergency Medical Services Systems (MIEMSS) Trauma Registry. The reconciliation consisted of applications received during the second application period, April 1st thru June 30th. Trauma physicians submitted uncompensated care applications on behalf of 290 patients. Most patients could be identified in the Trauma Registry, although 4 percent did not appear. Information on these patients will be referred to the Trauma Fund auditor for on-site follow-up.

Staff contacted two trauma centers and one trauma physician's practice to collect suggestions for improving the application process. This information will be evaluated for potential use in future reporting periods. Staff will make several modifications to the uncompensated care applications that will be due to the Commission in January. Three provider education sessions have been scheduled for this fall. They will be held in Hagerstown, Salisbury, and in the Washington area. These sessions are intended to discuss changes in the application process and review Medicaid billing procedures. Staff intends to work with trauma centers and trauma physicians to increase the number of electronically submitted applications.

Clifton-Gunderson, LLC continued with audits of uncompensated care applications submitted to the Fund during the first application period. Applications selected for review were chosen on an ad hoc basis and reviewed according to the participation requirements outlined in COMAR 10.25.10. Last month, Clifton-Gunderson, LLC audited 5 uncompensated care applications. The auditor identified a small number of discrepancies. Audit letters were mailed to those applicants where discrepancies were discovered during the audit process. Trauma centers and trauma physicians have approximately 15 days from notification to resolve any discrepancies. Adjustments identified during the uncompensated care audit will be processed in the form of a payment reduction from the application funds due on January 31, 2005.

Data Base and Application Development


Maryland Long-Term Care Survey 2003

The Commission submission period for the survey ended on September 20th. All but twenty-two facilities did not complete the survey within the allowed time period. Seventeen were assisted living, two were adult day care, and three were comprehensive care (nursing homes). One nursing home did not meet the submission deadline and continues to have difficulty completing the survey. If that facility has not submitted before the Commission meeting, that facility will be brought before the Commission for possible action. Table 1 presents the survey status as of October 12, 2004.

Table 1 2003 LONG TERM CARE SURVEY TRACKING 10/12/2004						Start Date		7/21/2004	
						Days Left		-22	
						Ending Date		9/20/2004	
Tracking	All	Comp	Assisted	Comp/Assist	Adult	Extended	Subacute	Chronic	
Not Started	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	
In Progress	3 0 %	2 1 %	1 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	
Completed and Under Review	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	
Rejected and Being Corrected	1 0 %	0 0 %	0 0 %	0 0 %	1 1 %	0 0 %	0 0 %	0 0 %	
Corrected and Under Review	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	
Completed and Accepted	680 99 %	212 99 %	321 100 %	13 100 %	112 99 %	2 100 %	13 100 %	7 100 %	
Total Surveyed	684	214	322	13	113	2	13	7	
Exempted	26	0	19	0	2	0	5	0	
Total LTC Facilities	710	214	341	13	115	2	18	7	

Physician Web-Based License Renewal Initiative

The Commission's staff continues to support the Maryland Board of Physicians' Web-based physician renewal effort. About 65 percent of physicians have renewed their licenses using the MHCC-developed application. The application has collected approximately \$4.4 million in license fees. About 49 percent of the physicians that have used the site have used the electronic payment option through the Bank of America.

 Table 2 License Renewal Tracking Panel through October 12, 2004		
Tracking	Total	%
Not Logged On	4445	33 %
Logged On	8993	67 %
Completed	8684	65 %
Financial	Total	%

Fees Collected	\$4,461,392	
Electronic Check	\$2,168,847 4219	49 %
Mail Check	\$1,730,610 3370	39 %
3rd Party Pay	\$564,500 1100	13 %

Cost and Quality Analysis

Insurance Coverage Report

Staff will release the report, *Maryland Insurance Coverage through 2003*, at the November Commission meeting. This report will present, in an easy to follow graphical and text chart book, information on the insurance coverage in the state through 2003. The report will follow the format of last year's layout which aimed to provide state policymakers with an at-a-glance summary of the status of the uninsured in the state. The most recent Current Population Survey (CPS) results showed that, overall, from 20002-2003 the uninsured rate in Maryland was stable. However, some of the population subgroups will show statistically significant increases or decreases in coverage. The MHCC has contracted with Levine Group to assist in designing the report.

Morbid Obesity Task Force

MHCC is required by law to serve on a task force charged with developing utilization review criteria for bariatric surgery. The task force hopes to develop a standard set of utilization review criteria that are consistent with the National Institutes of Health guidelines. MHCC's role on the task force is to provide information regarding morbid obesity and the use of surgical procedures in the privately insured population. Over the last several years, the use of these procedures has increased in popularity. Table 3 shows that change in the number of gastric bypass procedures, one of the most extreme procedures, has increased significantly from 2001-2002.

Table 3 Morbid Obesity 2001-2002

	2001			2002		
	Patients with Morbid Obesity	Morbid Obese Patients With Gastric Bypass	% of Obese Patients With Gastric Bypass	Patients With Morbid Obesity	Morbid Obese Patients With Gastric Bypass	% of Obese Patients With Gastric Bypass
Insurance Coverage Type						
Individual Plan	106	n/a	3.8%	156	17	10.9%
Private Employer Sponsored, Fully Self-Insured	1,446	125	8.6%	2,759	206	7.5%
Private Employer Sponsored, Insured	869	81	9.3%	1,652	167	10.1%
Public Employee	1,483	117	7.9%	1,641	153	9.3%
Comprehensive Std Health Benefit Plan	378	41	10.8%	618	47	7.6%
Other	13	n/a	15.4%	25	n/a	8.0%
Total	4,295	369	8.6%	6,851	592	8.6%

Source: MHCC analysis of the 2001-2002 Medical Care Data Base

Cancer Screening - Prostate Screening Antigen (PSA)

The Department of Health and Mental Hygiene's (DHMH's) Center for Cancer Surveillance and Control (CCSC) asked MHCC to provide updated information on the use of PSA in the privately insured and Medicare population. The PSA test is used as a screening test to detect the presence of an antigen associated with prostate cancer. The Commission's goal of expanding data sharing with DHMH's CCSC continues through this initiative.

EDI Programs and Payer Compliance

Health Insurance Portability and Accountability Act of 1996 (HIPAA) Awareness

Staff completed revisions to the *MHCC Security Assessment Guide* to reflect changes in the requirements from the proposed regulations to the final regulations. The guide is intended to educate practitioners on the requirements, act as a source of information for completing a gap assessment, and aid in the development of policies and procedures. A number of enhancements were added to the revised guide. They include a graphic representation of the requirements, color coded action items, and bullet point tips for compliance. Staff intends to present the *MHCC Security Assessment Guide* to the EDI/HIPAA Workgroup at the October meeting.

MHCC's HIPAA education and awareness initiatives continued throughout September. Over the last month, staff received approximately twenty telephone inquiries from payers and providers requesting support information on HIPAA. During the month, staff provided support to the following organizations:

- Maryland State Dental Association
- EPIC Pharmacies
- Robinwood Medical Center
- The Chesapeake Nurse Attorney Association
- Montgomery County Medical Society
- Upper Chesapeake Health Systems
- Maryland Academy of General Dentistry
- Eastern Shore Medical Group Management Association

EDI Promotions

Last month staff provided consultative services to two electronic health networks (networks) interested in obtaining MHCC-certification: Misys and Health Fusion. Presently, fourteen networks are MHCC-certified and five others are in candidacy status. Existing regulations require that payers doing business in Maryland only accept claims from Electronic Health Network Accreditation Commission (EHNAC) accreditation/MHCC-certified networks. Protologics, a Maryland-based small business, is seeking certification under the Commission's small network certification program. EHNAC's Board is scheduled to discuss the Protologics site review at its October meeting. Staff anticipates presenting Protologics to the Commission for certification at the November meeting.

Staff is currently developing an *EDI Resource Guide* which is a matrix of leading payers' EDI capabilities by service type. This initiative was brought about as a result of responses to an MHCC ad hoc questionnaire in which Maryland Medical Group Management Association (MGMA) members were asked to identify obstacles impacting their ability to submit claims electronically. The *EDI Resource Guide* is expected to be released in November.

EDI Progress Report

COMAR 10.25.09 requires most payers doing business in the state to annually report on their share of electronic health care transactions. Last month, staff completed data analysis of electronic claims for approximately 47 payers that submitted an EDI Progress Report in 2004. Over the next couple of months staff will use this information to craft the *2004 EDI Progress Report*. Release of the *2004 EDI Progress Report* is scheduled for late November. Staff intends to notify payers that they will be required to submit a 2005 EDI Progress Report in December.

E-Scripting Initiative

Efforts to develop e-script network criteria continued during September. Staff consulted with the National Council for Prescription Drug Programs, payers, and physicians regarding the draft criteria developed by the MHCC focus group. The focus group anticipates finalizing the criteria by the end of December. Representatives from SureScripts, RX HUB, DrFirst, PayerPath, EHNAC, Health Business Systems, ProxyMed, WebMD, and EPIC Pharmacies participate in the focus group. Presently, two e-script networks are operating in Maryland. These networks plan to seek EHNAC accreditation/MHCC-certification once the criteria are finalized.

PERFORMANCE & BENEFITS

Benefits and Analysis

Comprehensive Standard Health Benefit Plan (CSHBP)

At the May 2004 meeting, Commission staff presented the carrier financial survey for the year ending December 31, 2003 along with Mercer's analysis of proposed benefit changes to the CSHBP. The staff report and recommendations on proposed changes to the Plan was presented at the September 2004 meeting. Staff recommended no changes to the Standard Plan except for technical changes to correct out-dated cross-references. The Commission unanimously approved the staff recommendation to make no changes to the Plan.

Limited Health Benefit Plan: In 2004, the Maryland General Assembly enacted SB 570, requiring the Commission to develop a Limited Health Benefit Plan (LHBP) that will be available to certain small employers beginning July 1, 2005. Commission staff has organized a work plan for this project. To date, two meetings of interested parties have been held. Staff will present a draft of the proposed LHBP at this month's meeting.

Website: Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmt/index.htm. Commission staff has developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, Chambers of Commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation (DLLR), and the Department of Business and Economic Development (DBED). As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

Health Savings Accounts: In December 2003, Congress passed the Medicare Prescription Drug, Improvement and Modernization Act, authorizing the offering of health savings accounts (HSAs) in conjunction with high deductible health plans. This product became available to small

employers in Maryland effective July 1, 2004 if carriers elect to develop and market it. The CSHBP regulations have been modified to accommodate this offering during the transition period (for contracts sold between July 1, 2004 and December 31, 2004) and may have to be further modified to accommodate additional federal guidelines in the future.

The National Association of Health Underwriters (NAHU) has added a new section to its website entitled, "Understanding Health Savings Accounts." This link (<http://www.nahu.org/consumer/HSAGuide.htm>) also has been linked to the above-mentioned Commission website for small businesses.

Study of the Affordability of Health Insurance in Maryland: The 2004 General Assembly also enacted SB 131, requiring the Commission and the Maryland Insurance Administration (MIA) to conduct a study of the affordability of private health insurance in Maryland. An interim report, including findings and recommendations from the study, is due by January 1, 2005. The final report is due by January 1, 2006.

Evaluation of Mandated Health Insurance Services (2003)

In November 2003, the *Annual Mandated Health Insurance Services Evaluation* (as required under Insurance Article § 15-1501, *Annotated Code of Maryland*) was released for public comment. The Commission's consulting actuary, Mercer, evaluated two stakeholder-requested mandates as to their fiscal, medical and social impact. No public comments were received; however, a subsequent meeting with one of the requesting legislators led to an alternative request for analysis. This subsequent analysis was produced as an addendum to the current report. At the December 2003 meeting, the Commission approved the current report for release to the legislature. The final report can be found on the Commission's website.

The 2003 General Assembly passed HB 605, "Evaluation of Mandated Health Insurance Services." As a result, § 15-1502 of the Insurance Article of the *Code of Maryland* was repealed; therefore, the Commission is no longer responsible for conducting a full review of each existing mandate if the 2.2-percent affordability cap is exceeded. However, § 15-1501 remains in effect, which requires the Commission to assess the fiscal, medical, and social impact of any mandates proposed by the General Assembly along with any other requests submitted by legislators as of July 1. Additionally, HB 605 reestablished § 15-1502, requiring the Commission to evaluate all existing mandates every four years, in terms of the following: (1) an assessment of the full cost of each existing mandate as a percentage of Maryland's average annual wage, as a percentage of individual premiums, and as a percentage of group premiums; (2) an assessment of the degree to which an existing mandate is covered by self-insured plans; and (3) a comparison of Maryland mandates to those provided in Delaware, the District of Columbia, Pennsylvania, and Virginia based on number of mandates, type of mandate, the level and extent of coverage for each mandate, and the financial impact of differences in level of coverage for each mandate.

The final report that was submitted to the legislature in January 2004 is available on the Commission's website.

Evaluation of Mandated Health Insurance Services (2004)

Pursuant to the provisions of § 15-1501(f)(2) of the Insurance Article, Commission staff has requested that members of the House Health and Government Operations and Senate Finance Committees submit any proposals for mandated health insurance services that they would like included in the annual evaluation. As required under current law, the Commission must evaluate all mandates enacted or proposed by the General Assembly and new suggestions submitted by a

member of the General Assembly by July 1 of each year. Two requests for mandate evaluation have been submitted by members of the General Assembly.

Legislative and Special Projects

Uninsured Project

DHMH, in collaboration with the MHCC and the Johns Hopkins School of Public Health, was awarded a \$1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the state's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the grant will enable DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data that will help us design more effective expansion options for specific target groups. In addition, we have conducted focus groups with employers in order to better understand the characteristics of firms not currently participating in the state's small group market. For those firms currently participating in the CSHBP, issues were probed relating to costs of coverage and knowledge of the base CSHBP. In an effort to increase the take-up rate in the small group market, marketing materials were presented to the focus groups for review and modification. Shugoll Research was selected as the vendor to conduct these focus groups. The focus groups were completed in February 2003, with over seventy employers and twenty+ brokers participating. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

A seventh meeting with the Health Care Coverage Workgroup was held on August 30, 2004. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of members who represent the provider, business, health care advocacy, and health care research communities in the state. During the August meeting, staff from the MHCC updated the Workgroup on the development of the small group limited benefit plan. In addition, Elliot Wicks from the Economic and Social Research Institute presented findings from an analytic report entitled "Tax Options to Promote the Purchase of Health Insurance." This report was conducted at the request of DHMH and MHCC staff in response to HB 967 (2004) which would have required the Commission to study and make recommendations on the use of tax incentives and penalties to increase the number of individuals who purchase health insurance. Based on recommendations from the Workgroup, the draft document is currently undergoing revision.

In addition, Alice Burton and Isabel Friedenjohn from AcademyHealth presented other state initiatives to increase the number of individuals with health insurance, and staff from DHMH presented information on Maryland's request to the federal government for a waiver to expand its primary care program. This meeting served as the last time the Workgroup would meet in a formal setting; however, it was announced that the Workgroup would convene at a later date to review the remaining projects of the HRSA State Planning Grant.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services (HHS) in November. DHMH has applied for another one-year, no cost extension to extend the grant activities to August 2005. During this period, DHMH will conduct a telephone survey of Medicaid recipients to clarify the discrepancy in data between the number of Medicaid enrollees

listed in DHMH's administrative data and the number of Maryland Medicaid enrollees reported in the Census Bureau's Current Population Survey (CPS). MHCC staff is providing technical assistance. A final report is due to HHS at the end of the contract period. The final report must outline an action plan to continue improving access to insurance coverage in Maryland. A report outlining the options to expand coverage to Maryland's uninsured was delivered to the members of Maryland's General Assembly in February.

Patient Safety

Chapter 318 (HB 1274) of 2001 required the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

A preliminary report, approved by the Commission at the December 2001 meeting, was sent to the General Assembly. One of the preliminary recommendations has been enacted by the General Assembly and signed by the Governor. That bill removes the medical review committee statute that applies to all health care practitioners from the Board of Physician Quality Assurance (BPQA) statute, where it had been codified, and placed it in a separate subtitle within the Health Occupations Article to make practitioners more aware of the protections available to them. It also codified case law to clarify that certain good faith communications designed to lead to remedial action are protected even when they are not made directly to a medical review committee or committee member, but are nevertheless designed to remedy a problem under the jurisdiction of a medical review committee. The final report was approved by the members of the Commission and was submitted to the members of the Maryland General Assembly in January 2004. A bill was introduced in the House to grant medical review committee status to the Maryland Patient Safety Center, as designated by the Commission. This change grants protections against legal liability and disclosure of information. It passed out of both Houses and was signed into law by the Governor.

The Maryland Patient Safety Coalition met in January and discussed the status of various activities the Coalition is undertaking. MHCC staff is working with the Coalition on the development and implementation of several activities. In addition, Rosemary Gibson, author of *Wall of Silence*, spoke to the Coalition about the need for better communication between health care providers and patients and their family members when an adverse event or near miss occurs, and the importance of public support for patient safety. The next Coalition meeting has not been scheduled.

Commission staff released a request for proposal (RFP) to designate the Maryland Patient Safety Center (MPSC). The Maryland Hospital Association and the Delmarva Foundation have been selected to jointly develop and operate the MPSC. Both organizations have agreed to fund the Center for the first three years. The Health Services Cost Review Commission (HSCRC) recently approved funding the MPSC during its first year (\$762,500) through increased hospital rates. This amount is equivalent to fifty percent of the anticipated Center expenses, and will be used in conjunction with funding from the MHA, Delmarva, and Maryland hospitals. A press conference announcing the designation was held on June 18, 2004 in Annapolis.

Staff Briefings

The Executive Director of the MHCC presented to the Senate Special Commission on Medical Malpractice Liability Insurance on the Commission's legislative mandate to study the feasibility of developing a patient safety system in Maryland. The Director of the Maryland Patient Safety Center (MPSC) also spoke about the purpose and proposed activities of the MPSC. The briefing was held on September 15th.

The Deputy Director of Performance and Benefits briefed the House Health and Government Operations Committee on the status of the Maryland Hospital Performance Evaluation Guide on September 21st. In addition, the Deputy Director of Performance and Benefits briefed the House Health and Government Operations Health Insurance Subcommittee and the Ways and Means Tax Subcommittee on the insurance status of Maryland residents, along with the number of individuals without health insurance. The subcommittee was especially interested reviewing the number of uninsured by income and employment status. The briefing was held on October 5th.

2004 Legislative Session

Two bills that directly affect the Commission's activities passed this session. One bill is SB 570, "Health Insurance – Small Group Market – Limited Benefit Plan." This bill requires the MHCC to develop a uniform set of effective benefits to be included in a limited health benefit plan. The Limited Health Benefit Plan will be offered in the small group. The actuarial value of the limited plan cannot exceed 70% of the actuarial value of the CSHBP as of January 1, 2004. Small employers that have not offered the CSHBP within the past twelve months and for which the average annual wage of the small employer's employees does not exceed 75% of the average annual wage are eligible for the limited plan. Language in the bill requires that the MHCC and the Maryland Insurance Administration (MIA) ensure that the limited plan is available in the small group market on July 1, 2005.

Another bill that passed requires the MHCC and the MIA to conduct a study of the affordability of private health insurance in Maryland. SB 131 and HB 845, "MHCC & MIA – Affordability of Health Insurance in Maryland – Study and Recommendations," requires the MHCC to study the factors that contribute to increases in health care costs, such as utilization and other cost drivers. An interim report is due on or before January 1, 2005 and a final report is due on or before January 1, 2006.

In addition, the Maryland Board of Pharmacy and the Board of Physicians recently requested that Commission staff participate in a Workgroup to study the issue of legibility of prescriptions and make recommendations for any statutory or regulatory changes needed to improve prescription legibility in order to enhance patient safety. HB 433, "Prescription Drug Safety Act", requires that prescriptions be legible, and that the Secretary of the Department of Health and Mental Hygiene, in conjunction with the MHCC, the Board of Physicians, and the Board of Pharmacy convene a workgroup of certain individuals specified in the bill. The Board of Pharmacy and the Board of Physicians are taking the lead on the study. They will request an extension of the study from November 2004 to November 2005. Members of the Commission's staff have assisted them in drafting the letter of request and in providing background information describing the issues that will be considered in the study, as well as current Maryland law regarding written prescriptions.

2005 Legislative Session

Staff is drafting a departmental bill for introduction during the 2005 legislative session to allow reasonable penalties to be applied to those entities that have failed to obtain a Certificate of Need (CON) or a required exemption when they were obligated under statute to do so and have

proceeded with the project without Commission authorization. The proposed bill will also extend MHCC authority to impose reasonable penalties on entities that have received a CON but have not fulfilled required performance standards (i.e., a facility that was supposed to be constructed and operational by a certain date but has not opened, thus denying timely access to services to those in need). In addition, it will specify in law that monetary penalties imposed by the Commission may not exceed \$1000 per violation for each day the violation continues and will specify the factors used to determine the amount of any fine. Finally, the bill will increase, for hospitals only, the capital expenditure threshold that requires a CON from \$1.25 million (required to be adjusted for inflation – now stands at approximately \$1.6 million) to \$2.5 million (adjusted for inflation annually).

Facility and Quality Performance

Nursing Home Performance Guide

Chapter 382 (SB 740) of 1999 required the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Care Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

In addition to indicators selected by the Maryland Nursing Home Performance Guide Steering Committee, the site also includes the quality measures that are reported on the Centers for Medicare and Medicaid Services (CMS) Nursing Home Compare Website. Inclusion of this information on the Maryland site provides consumers with the ability to obtain comprehensive information in one location. The CMS measures were enhanced in January 2004 and are now consistent with the consensus recommendations from the National Quality Forum. The fourteen enhanced quality measures build on the original ten measures and provide additional information to help consumers make informed decisions. The Web site was updated with the new measures on March 15, 2004.

Evaluation of the Nursing Home Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement was to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Nursing Home Performance Guide Steering Committee for review and comment. The Lewin Group presented the final report to the Commissioners during the April 2004 meeting. The Steering Committee is in the process of prioritizing the recommendations.

Nursing Home Patient Satisfaction Survey: The Commission also contracted for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Guide by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state agencies, other

public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines.

A report that included a review of the literature and interviews with various states was presented to the Nursing Home Performance Guide Steering Committee during its January 2004 meeting for review and comment. The Steering Committee met in March 2004 and recommended that we proceed with the self-administered family satisfaction survey and also pursue a pilot project in collaboration with the Agency for Healthcare Research and Quality (AHRQ) to pilot the Nursing CAHPS tool for resident satisfaction.

The RFP for the family satisfaction survey has been developed and should be approved for release in October. MHCC is also working with AHRQ to test quality of life questions for the resident satisfaction survey and expects to participate in a two phase testing project that will begin in October 2004.

Nursing Home Patient Safety: The Steering Committee began discussion of nursing home patient safety measures that are appropriate for public reporting. The Committee was presented with an overview of the literature and activities in other states, as well as a list of ten common patient safety measures. The Steering Committee agreed that we should begin with reporting health care facility-acquired infections and staffing as two indicators of safety.

Hospital Performance Guide

Chapter 657 (HB 705) of 1999 required the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Guide was unveiled on January 31, 2002.

A new edition of the Hospital Performance Guide was released during a press conference held in May 2003. The revised Guide included quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures. The quality measures data were updated in June 2004 to include information from the third and fourth quarter of 2003. During this update, the time period for administering an antibiotic for pneumonia within a timely manner was reduced from eight hours to four hours. Additionally, the percent of patients receiving the recommended pneumococcal vaccination prior to discharge was added to the site.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for thirty-three high volume hospital procedures. DRG data were updated to include admissions occurring between December 1, 2001 and November 30, 2002 and were posted on the Website in November 2003. MHCC staff is in the process of preparing for the December 2004 release of the data.

New Core Measures: The MHCC Commissioners approved the release of a call for public comments regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Public comments were received in July 2003 of 2003. There were no comments submitted that precluded proceeding with the collection of the measures; therefore, hospitals were instructed to begin collection of AMI data effective October 1, 2003. The 4th Quarter 2003 AMI pilot data was provided to the hospitals for review on June 7, 2004. The Hospital Performance Guide Steering Committee met in July 2004 and determined that six new AMI measure will be publicly reported beginning in December 2004.

Obstetrics Measures: The Commission also convened an Obstetrics Workgroup to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. The workgroup met three times and developed an initial set of forty-two recommended elements which were forwarded to the Hospital Performance Guide Steering Committee for approval. The Commission's contractor, Delmarva Foundation, subsequently extracted the data for each of the elements using the HSCRC data base. The obstetrical data, along with an obstetrical services survey, were sent to each hospital for review. Several Web pages were then developed to display the data. A press conference was held in May 2004 to roll out the revised Guide. MHCC and HSCRC Commissioners, representatives from DHMH, legislators, providers, and consumers participated in the event. The obstetrics information will be updated in December 2004.

Redesign and Expansion of the Hospital Guide: In August 2003, the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement was to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Hospital Performance Guide Steering Committee for review and comment. The Lewin Group presented the final report to the Commissioners during the April 2004 meeting.

The Hospital Performance Guide Steering Committee met in July 2004 to begin the redesign process. During this meeting, the Steering Committee members approved four major areas of expansion, including the following:

- Include composite measures of quality in the Guide;
- Explore the use of different symbols (other than the circles) to present quality information;
- Develop a hospital compare function for the site; and
- Include mortality data.

The Steering Committee met on October 12, 2004 at the University of Maryland in Baltimore County to discuss detailed design issues.

Patient Safety Public Reporting Workgroup: The first meeting of the Patient Safety Public Reporting Workgroup was held in February 2004. The goal of the Workgroup is to explore

patient safety indicators that can be obtained from administrative data and then progress to other measures. Several health care acquired infection measures are also under review.

Additionally, the group has recommended that information regarding the availability of Intensivists in the ICU and progress toward computerized physician order entry (CPOE) be included on the Web site. The Committee members realize that there are varying definitions of CPOE and that some of the definitions may not be appropriate for use in the state at the current time; therefore, careful consideration will be given to components selected for reporting. Question regarding Intensivists and CPOE will be included with the hospital "Facility Profile Information" that will be distributed near the end of October.

Staff will continue to work with the HSCRC, AHRQ, and others to produce data reports for committee review. Lastly, the workgroup recommended that the JCAHO patient safety measures be reported when they become available by either linking to the JCAHO report or adding the data to the Maryland Hospital Guide directly.

Patient Satisfaction Project: MHCC participated in a three-state hospital public reporting pilot project initiated by CMS. The Hospital Performance Guide Steering Committee served as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

As a part of the pilot, hospitals from the three states participated in a patient satisfaction survey. Information from this survey is confidential. The draft survey was developed by AHRQ and draws upon seven surveys submitted by vendors, a review of the literature, and earlier CAHPS work. The pilot project began with a public call for measures in October 2002. The actual survey process began the first week of June 2003 and concluded in August 2003. The survey data were analyzed in December 2003. The final instrument was released by CMS for review and public comment in February 2004.

The Maryland Hospital Performance Guide Steering Committee received a briefing on the pilot results during the January 2004 meeting and agreed that Maryland should pursue the use of the tool to collect patient satisfaction data for the *Maryland Hospital Performance Evaluation Guide*. MHCC staff then met with representatives of CMS and AHRQ to discuss an additional pilot project test of the tool that took place in the summer. A proposal, with a complete study design, was submitted to AHRQ in April 2004 to request permission to use the HCAHPS tool.

MHCC received approval to use the revised HCAHPS tool in another pilot project that will begin in October 2004. MHCC is requesting that all hospitals submit four months of discharge data by November 1, 2004. The sample of patients to be surveyed will be drawn from the acute care hospitals in Maryland. Pediatric and other specialty hospitals (e.g., cancer facilities) are to be excluded. An average of 220 surveys per hospital will be sent to the selected participants in an effort to obtain 100 completed surveys by mail or telephone. Discharges will be classified as medical, surgical, or obstetrics services, based on the DRG code. The surveys will be randomly distributed across patients discharged from the hospital for medical, surgical, or obstetrics services (total=4,700 surveys for the state).

Other Activities: The Facility Quality and Performance Division is also participating in the planning process for a new HSCRC Quality Initiative designed to evaluate and recommend a system to provide hospitals with rewards and/or incentives for high quality care. Staff attends the HSCRC Quality Initiative Steering Committee meetings on an ongoing basis. The draft report of the HSCRC Steering Committee was also presented to the Hospital Performance Evaluation

Guide Steering Committee in January 2004 for review and comment. HSCRC is in the process of selecting members to serve on various workgroups. MHCC staff has been involved with the selection process.

Ambulatory Surgery Facility Consumer Guide

Chapter 657 (HB 705) of 1999 also required the Commission to develop a performance report for Ambulatory Surgery Facilities (ASFs). The Commission developed a web-based report that was also released in May 2003. The calendar year 2003 data are now available and will be added to the site within the next month.

The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and consists of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the Steering Committee members provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

HMO Quality and Performance

Distribution of HMO Publications

Distribution of 2003 HMO Publications - Final Totals

Cumulative distribution: Publications released 9/29/03	9/29/03 - 9/27/04	
	Paper	Web-based
Measuring the Quality of Maryland HMOs and POS Plans: 2003 Consumer Guide (25,000 printed)	19,641	Interactive version Visitor sessions = 2,476
		PDF version Visitor sessions = 3,125
2003 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (700 printed)	458	Visitor sessions = 1,719
Measuring the Quality of Maryland HMOs and POS Plans: 2003 State Employee Guide— 60,000 printed and distributed during open enrollment	60,000	

Distribution of 2004 HMO Publications

Cumulative distribution: Publications released 9/27/04	9/27/04- 9/30/04	
	Paper	Web-based
Measuring the Quality of Maryland HMOs and POS Plans: 2004 Consumer Guide (22,000 printed)	15,185	Visitor sessions = 315
2004 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)	521	Visitor sessions = 179
Measuring the Quality of Maryland HMOs and POS Plans: 2004 State Employee Guide— 50,000 printed and distributed during open enrollment		

7th Annual Policy Report (2003 Report Series) – Released January 2004; distribution continues until January 2005

Maryland Commercial HMOs & POS Plans: Policy Issues (1,000 printed)	714	Visitor Sessions = 697
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2004 Press Conference: This year's press conference to publicly release the 2004 series of HMO performance reports was held on September 27th at the University of Maryland, Baltimore campus. The facility offered exceptional accommodations to support the sixty guests as well as the print and television media in attendance. Staff from the Public Affairs Department of the University of Maryland, School of Medicine assisted with the facility logistics, which included technical support for the A/V equipment.

The theme of this year's *Consumer Guide*, "Manage Your Health Care" was the keystone of remarks delivered by the scheduled presenters. Dr. Amy Compton-Phillips, Physician Director of Care Management for Kaiser Permanente, described how Kaiser's quality improvement programs have encouraged members to become active partners in determining their health outcomes. Joachim Roski, Ph.D., who currently oversees performance measure development for the National Committee for Quality Assurance (NCQA), shared his insight about outcome measurement and the importance of the member-provider relationship in achieving optimal health. Special guest speakers included Congressman Benjamin Cardin, Health Secretary Nelson Sabatini, and Delegate Shirley Nathan-Pulliam.

Press coverage, to date, has included articles in the *Baltimore Sun*, the *Baltimore Business Journal*, and *The Capital*. Additionally, the Commission has been contacted for an article under development for the *Washington Post's* Health Section.. Fox 45 News, WBFF, and WMAR-TV 2 provided television coverage of the event.

Distribution of 2003 Publications: A few requests for the 2003 Consumer Guide trickled in as final production of the eighth edition of this report, *Measuring the Quality of Maryland HMOs and POS Plans: 2004 Consumer Guide*, reached completion. David Sharp, when presenting information about MHCC's EDI and HIPAA activities, also provided attendees at the Maryland State Dental Association's annual conference with copies of the 2003 Consumer Guide. Distribution of the 2003 series of HMO publications is complete. The totals shown in the first table of this section reflect the final counts for the year.

Distribution of 2004 Publications: Staff focused on fall distribution of the 2004 publications. At MHCC's request, J. W. Boarman printed the *Consumer Guide* and packaged the reports in cartons with less volume. Staff implemented several other changes in packaging to facilitate rapid dissemination of materials. The changes resulted in more than fifteen thousand copies of the *Consumer Guide*, nearly five hundred *Comprehensive Reports*, and over twelve thousand *Performance Evaluation Guides* bookmarks being processed in eight days. Letters and publications were shipped to the entire Maryland legislature and key staff members. Each of the seven commercial health plans and every public and academic library in the state received quantities of the *Consumer Guide* and reference copies of the *Comprehensive Report*. Our vendors, Synovate, HealthcareData.com, and NCQA, have also received quantities of the reports. Requests from individuals and groups that have been received to date have all been filled.

The Maryland Insurance Administration (MIA) has again requested quantities to make available to consumers during its community outreach engagements. During October, the MIA will attend events scheduled for seniors living in Baltimore and Howard counties, a home and garden fall event, and a community get-together hosted by Frederick County.

All publications produced by this Division are available on the MHCC website in PDF format only. For several years, visitors to the website had the option of choosing the static (PDF) format or an interactive format of the *Consumer Guide*. With fewer plans for consumers to select from, navigating through the report has become less cumbersome, making the associated design and production costs unwarranted.

2004 Performance Reporting: HEDIS Audit and CAHPS Survey

HEDIS Audit Activities: HealthcareData.com (HDC), our contractor for the HEDIS audit, has completed all deliverables for the 2004 audit season. Remaining deliverables completed during the summer included a summary report highlighting prominent details from the recently completed audit and an audit evaluation report that provided insight about issues encountered in 2004.

Consumer Assessment of Health Plan Study CAHPS Survey: Synovate, the CAHPS vendor, completed the final deliverable of the contract in July. Health Plans and MHCC received reports detailing results for the survey fielded in spring 2004. This last activity is the final deliverable required in the current contract, which will expire this fall. Staff anticipates using analyses on emergency department utilization presented in the final report in the Policy Issues report scheduled for release in January 2005.

Report Development—2004 Report Series: NCQA has completed four of the deliverables under this contract: *Consumer Guide*, *State Employee Guide*, *Comprehensive Report*, and plan-specific reports. Each September, the report development vendor provides the health plans with plan-specific reports that contain only their individual results and the Maryland averages for measures appearing in the HMO publications. A simplified format eliminated many of the errors encountered last year.

Once this Division received notification of which plans state employees would have available in 2005, staff worked quickly with this contractor to complete text and design tasks to complete the *State Employee Guide*. The printer subcontracted to produce enrollment materials arranged its press schedules to have this report completed in time for distribution at the press conference.

HEDIS and CAHPS Procurement: Requests for Proposals (RFPs) submitted by the HMO Quality & Performance Division for HEDIS audit services and CAHPS survey administration remain under review by the Department of Budget and Management.

HEALTH RESOURCES

Certificate of Need

During September 2004, staff issued three determinations of non-coverage by Certificate of Need (CON) review. One of these determinations was related to the transfer of ownership interest in the St. Agnes Surgery Center in Howard County. Staff issued two determinations related to capital expenditures proposed by hospitals pursuant to their commitment not to seek a rate increase from the Health Services Cost Review Commission (HSCRC) beyond the \$1.5 million permitted in statute. The first of these determinations was issued to Mercy Medical Center for a proposed \$5,000,000 project including renovations, bed relocations, and downsizing of non-acute care services to allow use of more of the physical bed capacity for acute care services. Mercy will be able to accommodate its currently licensed capacity of 223 inpatient beds. The second determination was issued to the University of Maryland Medical Center in Baltimore City for a proposed \$13,800,000 project to develop the University of Maryland Greenebaum Ambulatory Cancer Center where the facility will consolidate all outpatient cancer services.

Staff conducted a CON Pre-Licensure survey on September 23, 2004, prior to the licensure and opening of Lorien-Taneytown, a CON-approved sixty-three bed nursing facility located on Antrim Boulevard in Carroll County.

Staff continues the process of reviewing and analyzing applications from Holy Cross Hospital, Southern Maryland Hospital Center, and Suburban Hospital for the establishment of a cardiac surgery and percutaneous coronary intervention service in the Metropolitan Washington area.

Acute and Ambulatory Care Services

Proposed changes to COMAR 10.24.12 State Health Plan for Facilities and Services: Acute Hospital Inpatient Obstetric Services were released for informal public comment at the Commission's September meeting and mailed to all Maryland acute general hospitals. In addition, the proposed changes were posted on the Commission's website. Written comments were due on October 4, 2004. The Commission received four written comments on the proposed changes. Staff is evaluating the comments and preparing a written response. Revised Plan changes will be presented to the Commission as proposed permanent regulations at the October 19, 2004 Commission meeting. Comments were submitted by:

1. Ronald L. Gutberlet, M.D., Chairman, Department of Pediatrics at Mercy Medical Center
2. Edmond F. Notebaert, President & Chief Executive Officer of University of Maryland Medical System

3. Michael C. Rogers, Executive Vice President, Corporate Services, MedStar Health
4. James R. Walker, President & CEO, North Arundel Hospital

Holy Cross Hospital submits monthly reports to the Commission on the status of its construction project pursuant to the March 2004 approval of the modification to the hospital's Certificate of Need. The purpose of these reports is to advise the Commission about any potential changes to the terms of the modified CON, including changes in physical plant design, construction schedule, capital costs and financing mechanisms. The hospital's October update report reflects changes to the construction schedule that were approved by the Executive Director in August. Holy Cross reports no changes to the project cost, the design, or the financing of this project.

The seventh edition of the Commission's *Ambulatory Surgery Provider Directory, September 2004* was released at the Commission's September meeting. The directory provides CY 2003 information on freestanding and hospital-based ambulatory surgery providers in Maryland such as inventory and utilization data, surgical specialties, and contact information. Copies of this report may be obtained by calling the Commission and are posted on the Commission's website at: http://www.mhcc.state.md.us/new_items.htm

Long Term Care and Mental Health Services

Staff of the Long Term Care Division have been working with Medicaid and the Department of Health and Mental Hygiene on various long term care initiatives. First, staff have continued to attend the Community Choice Stakeholder forums held around the state by Medicaid to educate the various stakeholders about the draft waiver application to the Centers for Medicare and Medicaid Services (CMS). The assumptions underpinning the waiver application should be consistent with assumptions made by the Commission in projecting future utilization of nursing homes and community-based long term care services. Division staff are also communicating with Medicaid staff about applications for new and relocated nursing home projects. In addition, the implementation of provisions of HB 946/ SB 620 from the 2004 session of the General Assembly also involve continuing to encourage the diversion of residents of nursing homes to community-based alternatives. Staff are following these developments in planning for long term care services.

Staff of the Long Term Care Division visited Lorient Taneytown on September 23, 2004 in order to assess the progress of this project for pre-licensure certification.

Staff continue to work with consultants at Social and Scientific Systems and Mathematica Policy Research on the development of various approaches to determine nursing home bed need.

SB 732, passed by the Legislature during the 2003 session of the General Assembly, required the Commission to collect hospice data from all Maryland hospice programs. Under a contract with Perform, Commission staff developed an online survey to address this goal for 2003 data. Work is now underway to develop a public use data set for this data and to assess the survey with hospice providers in preparation for the 2004 data collection.

Specialized Health Care Services

The Primary Percutaneous Coronary Intervention (PCI) Data Work Group held its fourth meeting by conference call on October 4, 2004. The Work Group reviewed its recommendations to date concerning a data set and data dictionary, a draft strategy for data monitoring and analysis, and a pilot test of the case report form before actual enrollment in the registry recommended for use by

hospitals requesting a primary PCI waiver under COMAR 10.24.17, the State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services. The Work Group plans to finalize its recommendations after the pilot test. On October 6th, Commission staff met with Thomas Aversano, M.D., other staff at Johns Hopkins Medical Institutions, and the developer of the database application for the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) primary PCI registry. Participants at that meeting discussed technical issues related to the transition from the C-PORT registry to the waiver registry.

The Work Group on Rehabilitation Data will meet at 1:00 p.m. on October 21st in Room 100 at 4160 Patterson Avenue, Baltimore, Maryland 21215. The Work Group will review updated discharge abstract data for calendar year 2003, and quarterly survey and discharge abstract data for the second quarter of calendar year 2004.

Notice of the Commission's proposed action to amend its regulations under COMAR 10.24.02, Data Reporting by Hospitals, will be published in the *Maryland Register* on October 29, 2004. The proposed amendments will assure that data needed by the Commission to perform its duties are collected and reported uniformly by hospitals. The amendments also include several technical corrections.